

FORM
2
Rev
05/22

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:
402974954
Date Received:
05/02/2022

APPLICATION FOR PERMIT TO

Drill Deepen Re-enter Recomplete and Operate Amend
TYPE OF WELL OIL GAS COALBED OTHER: _____ Refile
ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Well Name: Castle 0780 Well Number: 3-17H20
Name of Operator: D90 ENERGY LLC COGCC Operator Number: 10706
Address: 952 ECHO LANE SUITE 480
City: HOUSTON State: TX Zip: 77024
Contact Name: Doug Sandridge Phone: (303)330 4847 Fax: ()
Email: doug@fulcrumef.com

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

COGCC Financial Assurance
 The Operator has provided or will provide Financial Assurance to the COGCC for this Well.
Surety ID Number (if applicable): 20210083

Federal Financial Assurance
 In checking this box, the Operator certifies that it has provided or will provide at least this amount of Financial Assurance to the federal government for this Well. (Per Rule702.a.)
Amount of Federal Financial Assurance \$ _____

WELL LOCATION INFORMATION

Surface Location
QtrQtr: NWNW Sec: 17 Twp: 7N Rng: 80W Meridian: 6
Footage at Surface: 337 Feet 337 FNL/FSL 583 Feet 583 FEL/FWL
Latitude: 40.583835 Longitude: -106.405024
GPS Data: GPS Quality Value: 1.5 Type of GPS Quality Value: PDOP Date of Measurement: 08/08/2016
Ground Elevation: 8149
Field Name: NORTH PARK HORIZONTAL Field Number: 60120
NIOBRARA
Well Plan: is Directional Horizontal (highly deviated) Vertical
If Well plan is Directional or Horizontal attach Deviated Drilling Plan and Directional Data.

Subsurface Locations
Top of Productive Zone (TPZ)
Sec: 17 Twp: 7N Rng: 80W Footage at TPZ: 996 996 FNL 1449 1449 FWL
Measured Depth of TPZ: 7571 True Vertical Depth of TPZ: 7150 7150 FNL/FSL 7150 7150 FEL/FWL

Base of Productive Zone (BPZ)

Sec: 20 Twp: 7N Rng: 80W Footage at BPZ: 300 FSL 1650 FWL
Measured Depth of BPZ: 16913 True Vertical Depth of BPZ: 7150 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 20 Twp: 7N Rng: 80W Footage at BHL: 300 FSL 1650 FWL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: JACKSON Municipality: N/A

Is the Surface Location of this Well in an area designated as one of State interest and subject to the requirements of § 24-65.1-108 C.R.S.? No

Per § 34-60-106(1)(f)(I)(A) C.R.S., the following questions pertain to the Relevant Local Government approval of the siting of the proposed Oil and Gas Location.

SB 19-181 provides that when "applying for a permit to drill," operators must include proof that they sought a local government siting permit and the disposition of that permit application, or that the local government does not have siting regulations. § 34-60-106(1)(f)(I)(A) C.R.S.

Does the Relevant Local Government regulate the siting of Oil and Gas Locations, with respect to this Location? Yes No

If yes, in checking this box, I hereby certify that an application has been filed with the local government with jurisdiction to approve the siting of the proposed oil and gas location.

The disposition of the application filed with the Relevant Local Government is: Date of Final Disposition:

Comments: Jackson County does not regulate oil & gas

SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS LOCATION

Surface Owner of the land at this Well's Oil and Gas Location: Fee State Federal Indian

Mineral Owner beneath this Well's Oil and Gas Location: Fee State Federal Indian

Surface Owner Protection Bond (if applicable): Surety ID Number (if applicable):

MINERALS DEVELOPED BY WELL

The ownership of all the minerals that will be developed by this Well is (check all that apply):

- Fee
State
Federal
Indian
N/A

LEASE INFORMATION

Using standard QtrQtr, Section, Township, Range format describe one entire mineral lease as follows:

* If this Well is within a unit, describe a lease that will be developed by the Well.

* If this Well is not subject to a unit, describe the lease that will be produced by the Well.

(Attach a Lease Map or Lease Description or Lease if necessary.)

T7N R80W Sec. 17: N2

Federal minerals within the spacing unit are coal only.

Total Acres in Described Lease: 320 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2787 Feet
Building Unit: 2701 Feet
Public Road: 548 Feet
Above Ground Utility: 304 Feet
Railroad: 5280 Feet
Property Line: 583 Feet

INSTRUCTIONS:

- Specify all distances per Rule 308.b.(1).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit – as defined in 100 Series Rules.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	531-45	1280	Sec. 17 & 20: All

Federal or State Unit Name (if appl): _____

Unit Number: _____

SUBSURFACE MINERAL SETBACKS

Enter 5280 for distance greater than 1 mile.

Is this Well within a unit? Yes

If YES:

Enter the minimum distance from the Completed Zone of this Well to the Unit Boundary: 300 Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well within the same unit permitted or completed in the same formation: 660 Feet

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease: _____ Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well producing from the same lease and permitted or completed in the same formation: _____ Feet

Exception Location

If this Well requires the approval of a Rule 401.c Exception Location, enter the Rule or spacing order number and attach the Exception Location Request and Waivers. _____

SPACING & FORMATIONS COMMENTS

DRILLING PROGRAMProposed Total Measured Depth: 16913 Feet TVD at Proposed Total Measured Depth 7150 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: 761 Feet No well belonging to another operator within 1,500 feetWill a closed-loop drilling system be used? YesIs H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No If yes, attach an H₂S Drilling Plan unless a plan was already submitted with the Form 2A per Rule 304.c.(10).Will there be hydraulic fracture treatment at a depth less than 2,000 feet in this well? NoWill salt sections be encountered during drilling? NoWill salt based (>15,000 ppm Cl) drilling fluids be used? NoWill oil based drilling fluids be used? YesBOP Equipment Type: Annular Preventor Double Ram Rotating Head None

Beneficial reuse or land application plan submitted? _____

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

<u>Casing Type</u>	<u>Size of Hole</u>	<u>Size of Casing</u>	<u>Grade</u>	<u>Wt/Ft</u>	<u>Csg/Liner Top</u>	<u>Setting Depth</u>	<u>Sacks Cmt</u>	<u>Cmt Btm</u>	<u>Cmt Top</u>
CONDUCTOR	26	16+1/4	N/A	42	0	90	189	90	0
SURF	12+1/4	9+5/8	J55	36	0	2500	576	2500	0
1ST	8+3/4	5+1/2	HCP110	20	0	16913	2980	16913	2300

 Conductor Casing is NOT planned**POTENTIAL FLOW AND CONFINING FORMATIONS**

<u>Zone Type</u>	<u>Formation /Hazard</u>	<u>Top M.D.</u>	<u>Top T.V.D.</u>	<u>Bottom M.D.</u>	<u>Bottom T.V.D.</u>	<u>TDS (mg/L)</u>	<u>Data Source</u>	<u>Comment</u>
Groundwater	North Park FM	0	0	500	500	1001-10000	USGS	Site Name: SB00708019BCD1 TD@500' TDS@1240 30' Water Depth
Confining Layer	Coalmont FM	500	500	3178	3172			
Confining Layer	Upper Pierre	3178	3172	5000	4945			
Hydrocarbon	Sussex	5000	4945	5450	5383			
Confining Layer	Pierre Lower (Shale)	5450	5383	5500	5430			
Hydrocarbon	Shannon	5500	5430	5550	5479			
Confining Layer	Pierre Lower (Shale)	5550	5479	6992	6879			
Hydrocarbon	Niobrara	6992	6879	16913	7150			Bottom TVD is bottom of the well and not bottom of the formation; The formation was not exited.

OPERATOR COMMENTS AND SUBMITTAL

Comments

Conditions Of Approval

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Condition of Approval

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	<p>1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (spud notice) for the first well activity with a rig on the pad.</p> <p>2) The Coalmont Formation is considered a potential freshwater resource in the North Park Basin (CGS Ground Water Atlas of Colorado, 2003). Operator shall provide cement coverage from the production casing shoe (5 1/2" First String) to a minimum of 200' above the surface casing shoe to provide full isolation of the Coalmont Formation. Verify production casing cement coverage with a cement bond log.</p>
Drilling/Completion Operations	<p>Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test:</p> <p>1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi is observed or if there is continuous flow, Operator must contact COGCC engineering for approval prior to stimulation.</p> <p>2) If a delayed completion, a second test is required between 6-9 months after rig release and must be conducted prior to stimulation. If any pressure greater than 200 psi is observed or if there is continuous flow, Operator must contact COGCC engineering for approval prior to stimulation.</p> <p>3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.</p>
Drilling/Completion Operations	<p>Operator acknowledges the proximity of the listed wells. Operator assures that this offset will be remediated per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document (option 4). Operator will submit a Form 42 ("OTHER – AS SPECIFIED BY PERMIT CONDITION") stating that appropriate mitigation will be completed, during the hydraulic stimulation of this well. This Form 42 shall be filed 48 hours prior to stimulation. A Bradenhead test will be performed on the offset wells listed below within 30 days prior to the beginning of stimulation of this well. Surface and production casing pressures of this offset well list will be actively monitored during stimulation of this well. Operator will assure that the offset well's bradenhead is open and actively monitored during the entire stimulation treatment of this pad– a person will monitor for any evidence of fluid. If there is indication of communication between the stimulation treatment and an offset well, treatment will be stopped and COGCC Engineering notified.</p> <p>Mutual 2-30H (API 057-06465) Mutual 0780 3-8H (API 057-06543) Hebron 0780 4-7H (API 057-06545)</p>
Interim Reclamation	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
4 COAs	

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Multi Well Open-Hole Logging - Rule 317.p: Alternative Logging Program: One of the first wells drilled on the pad - Hebron 0780 4-7H (API 05-057-06545) - has been logged with a triple Combo run from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall state "Alternative Logging Program – No open-hole logs were run" and shall clearly identify the type of log and the well (by API#) in which open-hole logs were run.
2	Drilling/Completion Operations	Blowout Prevention Equipment ("BOPE"): A double ram annular preventer will be used during drilling.

Total: 2 comment(s)

Attachment List

Att Doc Num	Name
402974954	FORM 2 SUBMITTED
403024342	OffsetWellEvaluations Data
403024345	WELL LOCATION PLAT
403024346	DEVIATED DRILLING PLAN
403024347	DIRECTIONAL DATA
403136543	OFFSET WELL EVALUATION

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed.	08/05/2022
Engineer	<ul style="list-style-type: none"> •Surface Casing Check complete Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within two miles is 175 feet. •Offset well review complete 408.t - No wells 408.u - No wells •Engineering review complete 	07/04/2022
Permit	<ul style="list-style-type: none"> -Corrected COGCC Financial Assurance surety ID number to active blanket plugging number -Updated order to 531-45 which reduced setbacks to 100ft for North/South? -Unchecked Federal minerals will be developed since it's Coal only -Permit review complete 	06/30/2022
OGLA	This Location (ID #324757) and its associated Form 2A materials were fully reviewed during the OGLA review of this APD in accordance with current Rules. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources.	05/04/2022

Total: 4 comment(s)